REMARKS

As a preliminary matter, the undersigned thanks the Examiner for the time taken and courtesies extended during a telephone interview on Friday, February 8, 2008.

In the first paragraph on page 2 of the present Office Action, the Examiner indicates that during a previous telephone interview with Mr. Frank Nguyen, Applicants and the Examiner reached an agreement that the election/restriction requirement sent on April 7, 2006 is withdrawn. The Examiner then asserts that claims 44-49 have been constructively elected and refers to claims 50-64 as cancelled. Applicants respectfully submit that this renders the Office Action facially deficient; if the restriction requirement has been withdrawn, then there ought to be no election, constructive or otherwise. In the aforementioned telephone conference on February 8, 2008, the Examiner clarified that the election has been withdrawn, rather than the restriction requirement itself.

With regard to the §102 rejections of independent claim 44, Applicants initially note that MPEP 2131 specifies that a given claim is anticipated "only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference," citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Moreover, MPEP 2131 indicates that the cited reference must show the "identical invention . . . in as complete detail as is contained in the . . . claim," citing *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

Claim 44 includes a limitation wherein the positional information about the anatomical feature of interest relative to the first surgical instrument is obtained by manipulating a graphics object superimposed on an image of the anatomical feature.

In formulating the §102 rejection of claim 44 over U.S. Patent No. 5,036,463 (hereinafter "Abela"), the Examiner asserts that "Figure 10 diagrams the image processing scheme for determining the 3-D positional information." Applicants respectfully submit that FIG. 10 of Abela fails to disclose the aforementioned limitation wherein the positional information about the anatomical feature of interest relative to the first surgical instrument is obtained by manipulating a graphics object superimposed on an image of the anatomical feature. Indeed, as described in Abela at column 13, lines 30-40, FIG. 10 instead teaches away by disclosing a "classical technique which utilizes geometry to resolve the depth."

Regarding the §102 rejection of claim 44 over U.S. Patent No. 5,402,801 (hereinafter "Taylor"), and further to the aforementioned telephone conference on February 8, 2008, Applicants also respectfully traverse said rejection and assert that the subject claims of the present application are therefore patentable over Taylor.

Dependent claims 45-48 are patentable for at least the reasons identified above with regard to independent claim 44. Moreover, at least one of these claims defines independently patentable subject matter.

With regard to the §103 rejection of claims 47-49 over Taylor, Applicants note that Taylor qualifies as prior art only under 35 USC 102(e). Moreover, as previously indicated in the Amendment dated February 2, 2005, the present application and Taylor were, at the time the invention of the subject application was made, owned by International Business Machines Corp. Accordingly, 35 U.S.C. 103(c) applies and Taylor is not available for use in a 103(a) rejection against the present application. See, e.g., MPEP 706.02(l)(1) (Under the CREATE Act, "the provision of 35 U.S.C. 103(c)(1) is effective for all applications pending on or after December 10, 2004, including applications filed prior to November 29, 1999.")

Applicants note that the previous statement was, pursuant to MPEP 706.02(1)(2), sufficient to disqualify Taylor. See also "Guidelines Setting Forth a Modified Policy Concerning the Evidence of Common Ownership, or an Obligation of Assignment to the Same Person, as Required by 35 U.S.C. 103(c)," 1241 O.G. 96 (December 26, 2000).

Applicants respectfully note that the Examiner, by failing to acknowledge this statement, has failed to comply with 37 C.F.R. § 1.104(b) and 1.104(c)(4), as well as with MPEP 707.07(f) ("Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it.") Moreover, MPEP 706.02(l)(3) indicates that "[i]f a statement of common ownership or assignment is filed in reply to the 35 U.S.C. 103 rejection based on prior art under 35 U.S.C. 102(e) and the claims are not amended, the examiner may not make the next Office action final if a new rejection is made." Accordingly, in the event the present application is not considered to be in condition for allowance responsive to the remarks made herein, a new Office Action with a non-final status should be issued.

In view of the above, Applicants respectfully request withdrawal of the present rejections and allowance of the application.

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Respectfully submitted,

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